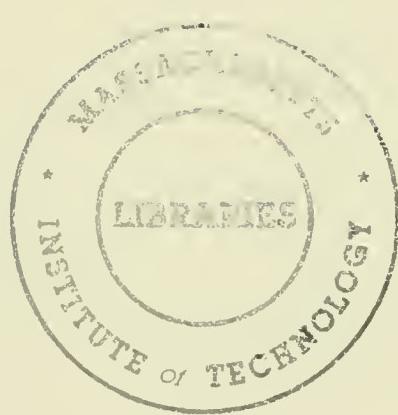


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NEGOTIATIONS IN ORGANIZATIONS:  
BLENDING INDUSTRIAL RELATIONS & ORGANIZATIONAL BEHAVIOR  
APPROACHES

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SSWP#1418-83

January, 1983

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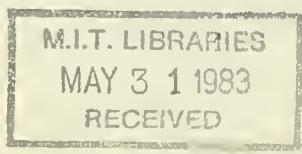


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Negotiations in Organizations:  
Blending Industrial Relations and Organizational Behavior Approaches

The purpose of this paper is to set the stage for the analysis of the role played by negotiations in organizations, by examining how negotiations as a theoretical construct has evolved in our broader theories of organizations and industrial relations. Our thesis is that a stage of evolution has been reached, in both organization and industrial relations theory, that allows us to move beyond broad and abstract conceptualizing about negotiating phenomena to more concrete analysis and practical application. Indeed, unless a negotiations perspective can be successfully translated from the level of broad theory into useful guides for organizational participants, these theories will continue to remain aloof from organizational application. Industrial relations, on the otherhand, does have a long tradition of moving from broad theoretical premises about conflict and negotiations in organizations to application through formal negotiations and conflict resolution structures. Thus, it provides a rich body of concepts, experience, and data upon which we can draw. Indeed, by paying attention to industrial relations theory, research, and experience we can avoid a tendency that has become the legacy of organization theory — to periodically "rediscover," using new terminology, ideas from the past only to abandon them again at about the same level of development achieved in their earlier life.

We will proceed by providing a brief historical overview of the treatment of negotiations as a theoretical construct in various organizational theories. We will then compare that treatment to what



we consider to be some fundamental assumptions about organizations arising out of industrial relations theory. This should facilitate an understanding of the role played by negotiations and closely allied concepts such as "conflict," "goals," "power," etc. Finally, we draw on some of the emerging literature in industrial relations as well as the work presented at this conference to illustrate the contributions that an understanding of the role of negotiations can make to organizational analysis and practice.

#### Fads and Cycles in Organization Theory

Before a coherent view of the role that negotiations play in organization theory can be developed, we first need to establish why negotiations arise in organizations. Negotiations represent a special form of social interaction or decision making that: (1) involves more than one party, (2) who hold some potentially conflicting interests as well as sufficient common interests or interdependence to motivate each to remain within the relationship or complete the exchange, and (3) that involves reciprocity. Thus, since conceptualizing exchanges or interactions among organizational participants as forms of negotiations only makes sense if the parties have or perceive different interests, we must first examine how the concept of conflict has been treated in organization theory.

The treatment of the role of conflict in organization theory tends to run in cycles. Early (pre-1960) managerial theories of organizations tended to ignore conflict in organizations (of Fayol, 1949; Barnard, 1938) in the rush to find optimal strategies for designing and structuring organizations in ways that maximized efficiency. Then the rejection of the "management principles" approach to organization theory (March and Simon, 1958; Cyert and



March, 1963) along with the social turmoil of the 1960s, helped organizational theorists to begin to bring conflict out of the closet and to recognize that conflict may not only be a naturally occurring organizational phenomenon but that it could have positive as well as negative consequences for different organizational actors (Coser, 1957; Pondy, 1967). Little progress was made in going beyond this elementary point, however, and the treatment of conflict tended to get lost in what we are now coming to describe as the "rationalist" and to a lesser extent, the contingency-based theories that were most popular in the later 1960s and early 1970s (Blau and Scott, 1962; Blau and Schoenherr, 1971; Perrow 1967, Thompson, 1967; Lawrence and Lorsch, 1967; Pugh, et. al., 1968). It is not that these organizational theorists necessarily ignored conflict. Instead as Bacharach and Lawler (1981) note, they tended to be apolitical. Rational organizational decisions could be made in response to different environmental and technological contexts. Correct decisions would allow organizations to adapt, grow, and be effective. Interest group resistance, divergent preferences and subgroup or subunit autonomy (the loose coupling of later years) did not get prominent attention in these models.

More recently, however, there has been considerable backlash against the rationalistic paradigms by those preferring to take a more interpretive approach to organizational theory. This has once again moved to the forefront of organization theory the ideas of researchers who view parties to organizations as having different preferences or goals, acting out their roles on the basis of their individual or organizational subunit preferences, drawing on diverse sources of power and influence, and engaging in open conflict.



Indeed, several recent works have attempted to do so (Strauss, 1978; Goldman and Van Houten, 1976; Bacharach and Lawler, 1980; 1981; Pfeffer, 1981).

Yet, much of this conceptual discussion has been heard before. The frameworks for studying organizations as political systems, and the discussion of conflict, power, and negotiations are insightful and refreshing, but all of these works are still focused at the level of paradigm development and articulation. None of them take us far down the conceptual ladder to suggest strategies for organizational design and principles for guiding organizational activities that can be used by individuals interested in influencing or changing organizations or the behavior of individuals within them. Works such as Pfeffer (1981), Kanter (1976), and Pettigrew (1973), for example, imply a variety of implications for organization design and change, but all stop short of fully articulating them. In short, both the Pondy (1972) and the Arygris (1972) (strange bedfellows indeed) critiques, of conflict theory and organization theory respectively, are still valid. Both have argued that little progress has been made in moving from theoretical statements to strategies for promoting and managing change in organizations that serve the interests of organizational participants or society at large. In short, useful theories of negotiations within and between (among) organizations have yet to be developed. Brown's 1983 recent book on conflict management, however, both represents an exception to this general argument and illustrates the value of pursuing conflict and negotiations theory to the applied level.

There is both a cost and a threat to this lack of progress. While the study of conflict and organizational negotiations has



remained at its abstract level, those who view organizations from a competing paradigm -- as largely cooperative and unitary systems -- have filled the void in middle range theory and guides to administrative (largely managerial) practice. In the 1930s the cooperative paradigm produced the human relations movement (Mayo, 1933). In the 1950s through the 1960s and early 1970s it produced, among others, studies of leadership (Fleishman, et. al., 1955), participative management (Likert, 1961; 1967) and organizational development and change strategies that stressed the building of interpersonal trust, openness, communications, and other strategies that assume a natural congruence between the goals of individuals and organizations (Argyris, 1964; Schein, 1969; Beckard, 1969). The most recent version of this school centers around the concept of organizational culture (Ouchi, 1981) and its implied efforts to change behavior in a manner that is consistent with the values and philosophies of the top executives in the organization. As normative or action-oriented theories, all of these approaches rest on the assumption that organizations are homogeneous units and that strategies for changing or controlling behavior in a way that is consistent with a single value system are functional for individuals, organizations, and society as a whole.

The challenge for those who see organizations as political systems composed of multiple sets of interests, is to build both a coherent organizational theory and apply it in ways that can also ultimately be useful to organizational actors. This does not necessarily require rejection of the theoretical and empirical insights of the work on organizational culture or any of its predecessors within the "cooperation" school. Indeed, as we review



the assumptions about organizations coming out of industrial relations the need to draw on both conflict-based and cooperation-based theories and strategies in order to develop useful guides for organizational action will be demonstrated.

#### Conflict and Negotiations in Industrial Relations Theory

In contrast to the varying assumptions about conflict and negotiations found in organization theory, the pluralist tradition of American industrial relations theory, derived from the work of John R. Commons and his associates and followers, has maintained a coherent and consistent set of assumptions about the nature and role of conflict within organizations around issues pertaining to the determination and administration of the employment relationship (Commons, 1934; Perlman, 1928; Kerr and Fisher, 1957; Kerr, Dunlop, Harbison and Myers, 1960; Barbash, 1964). Furthermore, these broad theoretical views have been translated into public policy and private practice through the various protective labor laws of the 1930s and the 1960s, through the National Labor Relations Act and its amendments, and through the evolving practice of collective bargaining.

The employment relationship, and -- by extension -- organizations, are viewed as mixed motive relationships (Walton and McKersie, 1965), i.e., the actors are separated by some conflicting interests and tied together by some common interests. Therefore, conflict is accepted as a naturally occurring phenomenon among organizational participants, but one that can have either positive or negative consequences for the different parties. The mixed-motive nature of organizations implies that the parties also share a range of



common interests that can be effectively pursued by improving + problem solving or integrative bargaining potential that exists within organizations. The normative objective of industrial relations theory, therefore, is to foster effective negotiations and conflict resolution or management processes that can allow for the orderly accomodation of conflicting interests and the pursuit of integrative (Walton and McKersie, 1965) or joint-gain solutions as well. Thus, the central theoretical proposition that emerges out of these broad assumptions is that effective management and resolution of conflict will contribute to organizational effectiveness and individual welfare.

Since industrial relations is focused on the employment relations issues and interactions, its theories have traditionally stressed the dichotomy between labor and management. It has always been recognized, however, that this is an overly simplistic distinction and that multiple interests exist within as well as across these two broad groups (Walton and McKersie, 1965; Raskin and Dunlop, 1967; Kochan, Cummings, and Huber, 1976). Indeed, outside the context of employment decisions, the configurations of interest groups or coalitions becomes may be considerably more fluid and temporary in nature. It is still essential, however, that the configuration of shared and divergent interests be analyzed in order for a negotiations' perspective to achieve any analytical power. Thus in the sections to follow we will attempt to generalize these basic theoretical premises to a wider range of organizational phenomena and merge them with some of the recent work within the "political" school of organization theory.



### Basic Assumptions for a Negotiations' Perspective

Combining the basic assumptions of industrial relations with those of the emerging political models of organizations provides a useful foundation for moving to a lower level of theoretical abstraction. While the following summary list of basic premises may not be exhaustive, it distills what we believe are the main points of consensus found in these two literatures and provides a parsimonious foundation upon which more applied work can then build.

#### 1. Organizations are inherently mixed-motive in nature.

Participants share some common interest and have some conflicting ones as well. It is the mixed-motive nature of these interests that provides the motivation for negotiations and more cooperative forms of decision making. The parties share enough interdependence or common interests to continue rather than terminate their relationships. At the same time, parties are assumed to act sufficiently on the basis of self or sub-organizational interests (Shull, Delbecq and Cummings, 1970) to engage in negotiating processes. Thus the first requirement for a social interaction to be described as a form of negotiations exists in organizations, namely that there are diverse parties bound together by a mix of common and divergent interests (Ikile, 1968).

#### 2. The "goals" or "interests" that separate parties within organizations can vary considerably from "hard" or objective differences that are embedded in the different economic interests or structural roles the parties occupy and represent in organizations (as the traditional industrial relations literature tends to stress) to highly subjective, interpersonal, or socially constructed perceptions of differences (as some of the more recent interpretive



and information processing organization theories (Strauss, 1978) emphasize). In addition, some interest group configurations are relatively fixed and enduring in organizations (e.g. workers versus employers in employment contract bargaining) while other interests are situational, fluid, and can better be studied within a coalition framework (Bacharach and Lawler, 1981). One need not rigidly adhere to nor reject either an objective reality or rationalist perspective, or a socially constructed view of reality to accept the role of negotiations within organizations. Indeed, most mixed motive processes involve both objective and subjective differences in goals and perceptions. Consequently, most theories of bargaining (or resolution strategies that stress problem solving and consensus building) need to consider both the real or enduring and the perceived or constructed differences in interests or goals (Walton and McKersie, 1965). Furthermore, different resolution or conflict management strategies vary in their ability to cope with conflicts arising out of different degrees of "objective" or "socially constructed" interest configurations.

3. To understand the dynamics of interactions among organizational participants, one must draw on some concept of power. While the conceptual and operational definitions of power vary widely, any organizational analysis that considers negotiations to be an important phenomenon will need to consider power as an important source of influence and part of the dynamics of decision-making. The industrial relations literature, for example treats power as not only a natural, but also an essential aspect of negotiations that helps to produce an employment contract between employees and employers (Chamberlain and Kuhn, 1965).



4. Overt forms of conflict are a natural byproduct of negotiations. While the occurrence of conflict per se can not be viewed as inherently functional or dysfunctional, since its outcomes may have differential effects for different organizational participants or constituents, the lack of effective conflict management or resolution processes or procedures is likely to lead to lower levels of goal attainment for all parties. This is perhaps the least well articulated premise underlying most negotiations theories, yet one that is implicit in most industrial relations and organizational politics research.

5. Those who take a negotiations' perspective to organizational activity need to take a multiple constituency perspective toward the assessment of organizational outcomes or organizational effectiveness (Freidlander and Pickle, 1968; Goodman and Pennings, 1977). That is, assessments of outcomes of conflict, negotiations, or other organizational processes need to be made in terms of the extent to which they contribute to the goals of each of the different parties. Thus, only in cases where parties share common goals can organizational effectiveness be judged against a single criterion.

#### Moving Toward a Useful Theoretical Framework

The above general premises provide only the starting point for making our theories and research on negotiations useful to organizational theory and practice. The next step is to develop an understanding of the dynamics of conflict and negotiations within organizations. Pondy (1967; 1969) earlier developed the concept of conflict episodes, and stressed the need to examine the sequence of



conflict events from latency, feeling, perception, and manifestation, through to its aftermath. Schmidt and Kochan (1972) used a similar argument by suggesting the need to move from the analysis of the motivational states or underlying sources of conflict, to the assessment of the configuration of goals or interests, through the sources of interdependence or power, and to the interaction process in which conflict occurred and/or was resolved. We believe that the analysis of conflict episodes provides a viable way of making conflict and negotiations theory useful to organizational practitioners, and provides the link needed for moving from abstract conceptualization to organizational application. It can be made more useful by drawing on both the Pondy and the Schmidt and Kochan frameworks and extending them to examine the outcomes of negotiations or conflict and their effects on the goal attainment of the parties. We will attempt to illustrate how this might be done by drawing on the various papers presented at this conference and on some selected industrial relations research.

#### Motivational States, Goals and Latent Conflict

No issue is more intensely debated among organizational, conflict, and industrial relations researchers than the question of what are the most basic underlying sources of differences in goals, perceptions, or environmental conditions that produce the potential for conflict, and therefore give rise to negotiations within organizations. Yet most of the literature on this topic is non-empirical, and simply asserts the beliefs of the theorist/researcher. Thus, Marxist theorists turn to the inherent conflict of class interests embedded within organizations by



capitalist social relations (Hyman, 1975; Goldman and Van Houten, 1976). Pluralist industrial relations theorists (Commons, 1934; Barbash, 1964; Kochan, 1980) assume that the different economic interests and structural roles (Dahrendorf, 1959) provide the underlying differences in goals that give rise to the potential for conflict. Others who see organizations as cooperative systems look to interpersonal and intergroup tensions and individual perceptions or cognitions as the key sources of conflict (Argyris, 1969; Likert, 1967; Schein, 1969). While these ideological differences make for stimulating debate within the field, too strong adherence to the premises of any one of these schools at the expense of the other limits our ability to develop effective conflict management processes. This is especially true if effective conflict management requires the matching of resolution strategies to the source or type of conflict (Kochan and Jick, 1978). Thus, we need to begin to explore the various potential sources of conflict within organizations and trace their effects on the choice of influence strategies, power relations that develop among individuals or groups, the effectiveness of conflict management efforts, and their ultimate effects on the parties' goals. Some examples of the papers presented at this conference and in other organizational and industrial relations research will help illustrate this point.

Brown's analysis of the contexts of negotiations that are shaped by the carryover of social and cultural tensions of the larger society provides a starting point for analyzing one source of organizational conflict. The more the boundaries of organizations are open to the influence of cultural, racial, or political tensions in the larger society, the greater the potential for organizational



conflicts. Brown goes a step further and suggests conflicts arising out of cultural differences are likely to take on ideological overtones. This leads to a more general hypothesis that is being pursued by those interested in organizational demographics (Pfeffer, 1981), namely, the more heterogeneous the cultural, social, economic, and demographic characteristics of the participants to an organization, the greater the potential for conflict. In contrast, the more homogeneous the participants to an organization, the more they can be subject to the same values and norms, the more they can be influenced by the same influence strategies and the lower the level of conflict.

Murray and Jick's paper on the effects of economic scarcity on organizations moves us beyond the standard industrial relations assumption that differences in economic interests within organizations will lead to incentives to bargain among interest groups. By exploring how changes in the degree of economic scarcity or slack will influence the nature and intensity of conflict and bargaining and the strategies available for managing conflicts, their work provides a look at the effects of changes in those economic pressures on the patterns of negotiations and the intensity of conflict.

The Bazerman and Neale and Greenhalgh and Neslin papers explore underlying variables relating to cognitive styles, value systems, and preferences all of which represent important individual level variables for understanding the origins of conflict in organizational interactions. Work on the effects of variations in individuals' initial interpretation of their organizational setting is necessary if we want to pursue the view of organizational structures, strategies, and outcomes as forms of negotiated order (Strauss, 1978).



These papers provide good starting points for exploring the origins of a conflict episode and relating them to later stages. Together they illustrate the multiple external and internal sources of organizational conflicts and the need to move away from the search for the single dominant cause of conflict. Other work in the organizational literature has focused more on more structural sources of differences in goals across departmental subunits (Kochan, Cummings, and Huber, 1975); on interpersonal perceptions and tensions (Walton, 1969), and on group membership or identity (Shull, Delbecq, and Cummings, 1976). More empirical work along these lines is necessary to understand the effectiveness of different strategies for managing conflict and structuring decision-making among parties whose potential conflicts arise from different sources.

#### From Latent Conflict to Organizational Processes

The second stage of a conflict episode involves the movement from the motivational origins and configuration of interests to the actions parties take to make decisions. Understanding this stage requires analysis of the distribution of power and resources among the participants and their choice of influence strategies and tactics. Two key theoretical propositions, both of which are amenable to empirical research, are central to developing an understanding and to managing this stage of the conflict episode and its relationship to negotiations. First, in order for latent conflicts or differences in actual or perceived interests to be translated into a negotiations process, each interest group must have some power over the others. In the absence of shared power or mutual interdependence, one party can unilaterally decide the outcome



without negotiating with the others. An extention of this proposition would be that the more unequal the distribution of power, the higher the probability of a unilateral rather than a negotiated outcome, and the higher the likelihood that the differences in interest will be suppressed, smoothed over, or ignored by the stronger party or not pursued by the weaker party. The second key proposition relates to the effectiveness of the structures and processes used to manage or resolve conflicts, and follows from the earlier discussion of the need to match the conflict management strategy to the source of the conflict. The general proposition is that effective conflict management requires that the conflict management or resolution process be able to deal with the underlying sources of the conflict. This is a vague, and almost tautological proposition and requires more specific application to be useful. Several examples may, however, help illustrate its importance to developing an understanding of the management of conflict and negotiations.

Kochan and Jick (1978) found that the labor mediation process used in most public sector jurisdictions is more effective in resolving impasses that arise because of lack of experience or expertise of the negotiating teams or some breakdown in the process of negotiations (e.g., one or both of these parties getting overly committed to a negotiating position and needing help to save face). The mediation process was less able to achieve settlements in disputes where the conflicts were extremely intense (multiple sources of conflict were present) or where the parties were the economic objectives of the parties were highly divergent, or the parties had



well thought out strategic or political reasons for continuing the impasse. Thus the mediation process was more effective in resolving some types of conflicts than others.

The Goldberg and Brett experiments with mediation of the grievances that otherwise would have gone to arbitration, represents another application and testing of this general proposition. Their preliminary results suggest that a significant percentage of grievances are amenable to a more informal mediation process, and need not be referred to the more formal and costly arbitration process.

Another visible example of this proposition is currently being played out in labor-management relations in many of our basic industries. Within the past several years, many unions and firms have embarked on employee participation programs designed to foster greater communications, commitment, motivation, and involvement of individual workers and to overcome some of the costs of adversarial relationships at the workplace. These strategies have drawn very heavily on organizational development techniques of training people in problem solving, team building, and consensus decision-making. The choice of these approaches represented a recognition that the standard formal negotiation and grievance handling mechanisms of collective bargaining were not well suited for introducing the types of organizational changes on non financial issues that required modifying deeply ingrained perceptions of the roles of individual workers, supervisors, and managers and the sharing of information and knowledge.

In putting these efforts in place, however, most union and management officials have learned (from previous failures) to



maintain a separation between the formal contract negotiations and grievance procedures, and the more flexible worker participation processes. The current strategy is to use formal negotiations process and grievance procedure to handle the highly distributive issues that lie within the traditional scope of collective bargaining (e.g., wages and fringes) while allowing problem solving to proceed more informally at the workplace. Maintaining both viable distributive and problem solving processes over time is proving to be a significant challenge in many of these efforts. Indeed, the compatibility of these two approaches is being put to a severe test in situations where employers have gone to their employees and negotiated through the traditional structures and bargaining processes (although in some cases transformed in significant ways) to achieve economic concessions (wage freezes, deferrals, work rule changes, etc.).

Since whether parties to an interdependent relationship will initiate a negotiations process depends on the extent to which power is shared or distributed among the participants, the analysis of the distribution of power is essential to the study and practice of negotiations. Yet it is perhaps one of the most difficult concepts to define and measure. The industrial relations literature has relied on Chamberlain's (1956) analysis of the costs of agreement and disagreement as its most popular approach to the definition of bargaining power. Emerson's (1962) power/dependence approach (A has power over B to the extent A controls resources B values and B has few alternative means of obtaining those resources) continues to be popular in the behavioral literature. Both of these are helpful conceptual tools. However, in order to examine the forces affecting



the ability of either party to achieve its goals in a specific negotiation, one is normally forced to adopt some version of the French and Raven (1960) approach by identifying those aspects of the situation which serve as sources of power for one party over another.

Several of the papers presented at this conference illustrate the diverse sources of power that can influence a party's ability to negotiate, and the importance of power to the dynamics of negotiations processes. Hall's paper on the power of human resource management departments seeking to obtain the status, resources, and organizational influence needed to carry out their programs extends Strauss's (1962) earlier analysis of the dynamics of lateral relations among organizational units. Human resource or industrial relations departments illustrate the generic nature of the power of boundary units in organizations. These units derive their power from both the severity of the threat that their part of the environment poses to an organization, and paradoxically, from their ability to control or limit the impact of that external threat. Yet, as Hall emphasizes, boundary units must use their power to achieve results that are instrumental to the mission or objectives of the organization.

Identifying the sources of power of boundary units requires starting well outside of the organization and looking at the environment with which the unit interacts. For example, the traditional environmental sources of power that have affected the internal power of human resource departments are the pressures of tight labor markets, unions, and government regulations (Kochan and Cappelli, 1982). In the case of marketing departments it is likely to be the degree of market competition and potential for market



penetration that can put marketing professionals in powerful negotiating positions with manufacturing, finance, and other lateral groups. Thus, understanding the rise and fall of the ability of boundary units to command resources and organizational influence can only be understood by first assessing the sources of external power they derive from the environment they face.

Murray's discussion of the growing importance of strategic planning and decision making describes the role that formal structures and units designed to aid and formalize decision making can play in influencing the distribution of power by controlling the information and the criteria or premises used to make decisions.

Grisby presents an illustration of an interaction involving hierarchical relations that is seldom analyzed as a negotiations framework, namely, the performance appraisal process. Looking at performance appraisal as a negotiating activity, however, helps go beyond the search for technical reasons why most performance appraisal systems suffer from systematic sources of error (Cooper, 1981). It looks more intensively at the interpersonal and organizational dynamics of the appraisal process, the benefits and costs to the appraiser and appraisee of positive or negative performance evaluations, and the larger political context of the supervisor/subordinate relationship.

The Kipnis and Schmidt paper builds on a long line of empirical research that has documented the variety of influence tactics individuals draw on and the process by which parties alter their tactics as conflicts escalate or continue through time. This type of work is necessary if we take seriously one of the key conceptual arguments in the industrial relations literature on bargaining power -- that power is not a static quantity that can be measured at any



single point in the negotiations process or in a relationship but is altered over time by changing events and over the course of a negotiations process by the behavior and tactics of the parties. It is this dynamic component to the distribution of power, and the different tactics Kipnis and Schmidt have identified that now must be added to the typologies of earlier students of influence processes such as French and Raven, that makes power so difficult to measure and study. Yet to either study negotiations from the outside or intervene as a third party or an active participant, one must be able to assess the distribution of power and the tactics and other forces that alter that distribution over time.

In a related vein, Lewicki's paper on lying as an influence tactic demonstrates how norms or accepted "rules of the game" influence the range of tactics parties will view as acceptable in a given context. Lying may be acceptable in some contexts but not others. So many physical violence as in disputes between warring tribes, nations, or crime families.

#### Negotiation Processes and the Management/Resolution of Conflict

An enormous amount of empirical research has focused directly on the dynamics of negotiations and conflict management or resolution processes. This concentration is reflected in the mix of papers presented at this conference. Most research on negotiations attempts to either describe the dynamics of negotiations, explain variations in negotiations outcomes, or predict the conditions under which an agreement or an impasse will occur. Another branch of research



addresses the same sets of questions with respect to conflict resolution or third party intervention processes (describing the dynamics, predicting how outcomes are affected, and predicting whether the process will produce an agreement or not). The industrial relations literature experienced a growth spurt in this area in recent years from the expansion of public sector collective bargaining. Its heavy reliance on formal third party procedures of mediation, factfinding, and various forms of arbitration stimulated the development of new theories (Stevens, 1966) and extensive laboratory and field research. Pruitt's paper represents a second generation of theorizing as he extends and modifies earlier theories of integrative bargaining and problem solving in light of his and others more recent empirical studies on this topic.

Notz and Starke build on much of this work in their paper and go on to extend some of its empirical insights to options for structuring and resolving conflicts in organizational budgeting processes. It is in decision making contexts that share some of the highly structured and recurring forms of disputes that these collective bargaining procedures have the most insight to offer. This point is also illustrated in Wall's examination of the role of mediation in civil court cases. As we move to less highly structured activities (i.e., where coalitions are more fluid, and the goals and power of the parties are more uncertain), these formal impasse procedures can less easily stand alone and must be integrated with more of the problem solving strategies described in Pruitt's paper. Ebert and Wall's paper builds on this premise by developing a more generic framework for treating decision making as a negotiations process.



Sheppard also brings the study of third party roles and processes directly into an organizational and managerial process. His analysis of managers as conflict resolvers represents an important step toward the goals of making a negotiations' perspective on organizations relevant to organizational participants.

The central questions for those studying this stage of a conflict episode are: (1) how well do the various negotiations processes and third party dispute resolution mechanisms allow the various interests at stake to participate and have their concerns voiced, and (2) how effective are the processes in achieving a resolution to the dispute? Data that address these questions can help complete Shepard's taxonomy of third party intervention procedures and expand the tools available to those attempting to improve conflict management processes in organizations.

#### The Effects of Negotiations and Alternative Conflict Management Strategies

Ultimately, a negotiations' paradigm needs to relate the processes used to manage or resolve conflicts to the goals of the parties. Unfortunately, it is at this stage of the conflict cycle or episode where the least empirical research exists. Most work stops short of relating different patterns of conflict management to the key organizational outcomes valued by the parties. Yet this is the type of work most needed to explicitly test the general proposition driving this entire line of organizational and industrial relations research, namely that effective conflict management can make an important contribution to organizational effectiveness. Some current industrial relations research is moving in this direction. In two studies (Katz, Kochan, and Gobielle, in press; Katz, Kochan, and Weber, 1983) a strong direct relationship was found between the



effectiveness of the management of industrial relations conflicts at the workplace and organizational effectiveness.

#### Application of Research on Negotiations

What can be done with the type of research results that might flow from the work suggested above and that is represented in the papers presented at this conference? Clearly one direct beneficiary of this type of work should be the teaching of organizational behavior, industrial relations, and negotiations/conflict resolution. The teaching of organizational behavior can benefit from moving beyond an elementary statement of forces that give rise to negotiations in organizations to a broadened set of insights into the effects of alternative structural arrangements on the opportunities for negotiations and the strategies for resolving conflicts among organizational interest groups. It can also lead to a critical assessment of the extent to which alternative organizational strategies lead to the smoothing over or suppression of diverse organizational interest groups and to the longer term consequences of effective and ineffective conflict management.

For the teaching of industrial relations and human resource management, research on organizational negotiations and conflict management can provide greater insight into both the contributions and limitations of formal procedures most closely identified with collective bargaining. Perhaps more importantly, it can break down a traditional misperception that unfortunately still dominates much of the teaching of human resource management, namely, the treatment of negotiations as synonomous with and limited to unionized environments. A negotiations' perspective can give further impetus to the teaching of human resource management from a governance (Beer,



1982) or diversity of interests perspective. Finally, for the growing number of courses on organizational negotiations that are being taught in universities, a more complete perspective on analysis of the different stages of conflict and negotiations in organizations can provide a useful organizing theme and framework.

Ultimately, this work should produce better participants and interveners in organizational negotiations processes. Each of the papers that follow help move organization theory and research in this direction. Taken together, they demonstrate the power a negotiations' perspective holds for students of and practitioners in organizations.



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